

SPECTRUM HEALTH

221 Michigan Street NE, Suite 501
Grand Rapids, MI 49503
616.391.1601 616.391.9215
spectrum-health.org

Richard C. Breon
President & CEO

April 30, 2013

The Honorable Pete Lund
State Capitol
P.O. Box 30014
Lansing, MI 48909-7514

Chairman Lund:

On behalf of Spectrum Health, we write in opposition to HB 4612, legislation that would drastically alter the Auto No-Fault law in the State of Michigan. The legislation, as introduced, will negatively impact the patients and families in West Michigan and across the state.

HB 4612 would limit the health care services and benefits provided to auto no-fault patients, contrary to national and state health care trends. At the federal level Medicare and the Patient Protection and Affordable Care Act afford beneficiaries unlimited medical benefits. At the state level there are currently no benefit limits for Medicaid patients. Additionally, benefit caps for rehabilitation services have been addressed through the federal judicial system, which is not reflected in HB 4612.

Health care providers and stakeholders have engaged in discussions and negotiations in a good faith effort to reform the auto no-fault system. Proposals have been put forth that include high caps for benefits as well as cost containment measures to address the long-term sustainability of the program. Spectrum Health is confident that there is still opportunity to improve the legislation to address the concerns of patients, health care providers, and the auto insurance industry.

As acute and post-acute providers, we recommend that, at a minimum, the legislation should be amended to include (1) a minimum benefit cap of \$5 million (2) grandfathering of health care services to current beneficiaries, (3) a reimbursement fee schedule that reflects the appropriate reimbursement codes for acute and post-acute care, and (4) removal of rehabilitation caps on services.

If you have any questions or concerns please do not hesitate to contact Daniela R. Garcia of the Spectrum Health Government Affairs Department, she can be reached at (616) 391-8521.

Sincerely,



Richard C. Breon
President & CEO

cc: Members of the Michigan House Insurance Committee